

**Housing Authority of the City
of New Iberia
New Iberia, Louisiana**

**Annual Financial Report
As of and for the Year Ended March 31, 2013**

Housing Authority of the City of New Iberia
Table of Contents

	<u>Statement</u>	<u>Page</u>
FINANCIAL SECTION		
INDEPENDENT AUDITORS' REPORT		5-7
REQUIRED SUPPLEMENTAL INFORMATION		8
Management's Discussion and Analysis (MD&A)		9-15
BASIC FINANCIAL STATEMENTS:		17
Enterprise Funds		
Balance Sheet	A	18-19
Statement of Revenues, Expenses, and Changes in Fund Net Position	B	20
Statement of Cash Flows	C	21-22
Notes to the Financial Statements		
Index		23
Notes		24-32
SUPPLEMENTAL INFORMATION		33
Financial Data Schedule		34-38
Compensation Paid Board Members		39
Actual Modernization Cost Certificates		40-42
OTHER REPORTS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u> AND BY OFFICE OF MANAGEMENT AND BUDGET <u>(OMB) CIRCULAR A-133</u>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		43-44
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance		45-47
Schedule of Expenditures of Federal Awards		48
Notes to the Schedule of Expenditures of Federal Awards		49
Schedule of Findings and Questioned Costs		50-51
OTHER INFORMATION		
Corrective Action Plan for Current Year Findings and Questioned Costs		52



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Independent Auditors' Report

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Housing Authority of the City of New Iberia, Louisiana, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit which represent 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Housing Authority of the City of New Iberia, Louisiana, as of March 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of New Iberia's basic financial statements. The accompanying supplementary information, as listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the accompanying supplementary information, as listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2013 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
September 24, 2013

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2013

The management of the Public Housing Authority of New Iberia, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending March 31, 2013. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Housing Authority's included audited financial statements. A copy of the separate audit reports for the component units may be obtained from the Housing Authority of the City of New Iberia.

FINANCIAL HIGHLIGHTS In fiscal year 2013, the Housing Authority implemented the following GASB Statements:

Statement No. 61, "The Financial Reporting Entity-Omnibus: an amendment of GASB Statements No. 14 and No. 39." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity.

Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA.

Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This Statement establishes standards for reporting of deferred outflows of resources, deferred inflows of resources, and net position.

Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement amends or supersedes the accounting and financial guidance for certain items previously required as assets or liabilities as well as establishes accounting and financial reporting standards for the financial statement of state and local governments.

Although these Statements had no current effect on the financial statements as a result of implementation, the Statements did change the presentation of the Housing Authority's financials, which consisted of the net assets being classified as net position.

- ☐ The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- ☐ The Housing Authority's assets exceeded its liabilities by \$3,333,012 at the close of the fiscal year ended 2013.
 - Of this amount \$2,994,450 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - The remainder of \$338,562 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 20% of the total operating expenses of \$1,672,188 for the fiscal year 2013, which means the Housing Authority might be able to operate about 2.5 months using the unrestricted net position alone.
- ☐ The Housing Authority's total net position increased by \$201,073 due mainly to increases in federal grants.
- ☐ The Housing Authority spent \$444,890 on construction in progress during the current fiscal year.
- ☐ The Housing Authority owes \$575,943 in long term notes payable which were used to finance equipment.

**Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Housing Authority's internal controls. The Housing Authority has two component units that issue separate reports: Bayou Place Limited Partnership I and Bayou Place Limited Partnership II. Copies of these reports may be obtained from the Housing Authority.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Housing Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2013?" The Statement of Net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net position and changes in them. One can think of the Housing Authority's net position – the difference between assets and liabilities – as one way to measure the Housing Authority's financial health, or financial position. Over time, increases and decreases in the Housing Authority's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Housing Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Public Housing Capital Fund Program
- Other Business Activities

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2013

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$3,333,012 as of March 31, 2013. Of this amount, \$2,994,450 was invested in capital assets, and the remaining \$338,562 was unrestricted.

CONDENSED FINANCIAL STATEMENTS
Condensed Balance Sheets
(Excluding Interfund Transfers)
March 31,

	2013	2012
ASSETS		
Current and other assets	\$ 517,067	\$ 516,550
Capital assets	3,570,393	3,542,886
Total assets	<u>4,087,460</u>	<u>4,059,436</u>
LIABILITIES		
Current liabilities, including current portion of long-term debt	327,447	329,233
Non-current liabilities, including long term debt and capital leases	427,001	598,264
Total liabilities	<u>754,448</u>	<u>927,497</u>
NET ASSETS		
Net investment in capital assets	2,994,450	2,807,475
Unrestricted net assets	338,562	324,464
Total net assets	<u>3,333,012</u>	<u>3,131,939</u>
Total liabilities and net assets	<u><u>\$ 4,087,460</u></u>	<u><u>\$ 4,059,436</u></u>

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2013

CONDENSED FINANCIAL STATEMENTS (Continued)

The net position of these funds increased by \$201,073, or by 6%, from those of fiscal year 2012, as explained below. In the narrative that follows, the detail factors causing this change are discussed.

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
(Excluding Interfund Transfers)
For the Years Ended March 31,

	2013	2012
OPERATING REVENUES		
Tenant rental revenue	\$ 567,725	\$ 565,042
Other operating revenue	21,095	6,806
Federal grants for operations	871,619	604,893
Total operating revenues	<u>1,460,439</u>	<u>1,176,741</u>
OPERATING EXPENSES		
Administration	281,959	298,115
Tenant services	4,171	7,766
Utilities	315,332	349,014
Ordinary maintenance and operations	436,871	389,018
Protective services	27,713	28,319
General expenses	188,758	181,284
Depreciation	417,384	389,305
Total operating expenses	<u>1,672,188</u>	<u>1,642,821</u>
Income (loss) from operations	<u>(211,749)</u>	<u>(466,080)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest expense	(32,486)	(40,189)
Interest income	418	1,330
Other nonoperating expenses	-	-
Total non-operating expenses (expenses)	<u>(32,068)</u>	<u>(38,859)</u>
Income (loss) before contributions	<u>(243,817)</u>	<u>(504,939)</u>
Capital contributions	<u>444,890</u>	<u>465,593</u>
NET INCREASE (DECREASE) IN NET POSITION	<u>201,073</u>	<u>(39,346)</u>
NET POSITION, beginning of fiscal year	<u>3,131,939</u>	<u>3,171,285</u>
NET POSITION, end of fiscal year	<u><u>\$ 3,333,012</u></u>	<u><u>\$ 3,131,939</u></u>

**Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2013**

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues increased by \$262,083, or by 15%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- ☐ Federal revenues from HUD for operations increased by \$266,726, or by 44% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received by HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so housing assistance grants increased accordingly.
- ☐ Federal Capital Funds from HUD decreased by \$20,703 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2009 through 2012.
- ☐ Total other operating revenue increased \$14,289 from that of the prior fiscal year. The Housing Authority received proceeds from casualty insurance claims in the current year.
- ☐ Total tenant revenue increased by \$2,683, or less than 1% from that of the prior fiscal year due to the amount of rent each tenant pays which is based on a sliding scale of their personal income. Some tenants' personal income increased, so rent from those tenants increased accordingly, raising the overall total.

Compared with the prior fiscal year, total operating expenses increased \$29,367, or by 1%, from the prior fiscal year. This was mainly due to:

- Depreciation expense increased by \$28,079 or by 7% from that of the prior fiscal year because construction in progress was moved to buildings.
- Maintenance and repairs increased by \$47,853 or by 12% from that of the prior fiscal year because extraordinary maintenance increased \$12,475 and small equipment purchases that did not meet the capitalization threshold were expensed which totaled \$24,139.
- Utilities expense decreased by \$33,682 or 9% from that of the prior fiscal year because water and gas consumption decreased, electricity rates decreased, and other utility rates decreased.

Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2013

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At March 31, 2013, the Housing Authority had a total cost of \$13,323,034 invested in a broad range of assets and construction in progress from projects funded in 2009 through 2012 listed below. This amount, not including depreciation, represents increases of \$444,890 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

	<u>2013</u>	<u>2012</u>
Land	\$ 222,593	\$ 222,593
Construction in progress	6,964	163,487
Buildings & Site Improvement	3,298,951	3,096,225
Furniture and equipment	41,885	60,581
Total	<u>\$ 3,570,393</u>	<u>\$ 3,542,886</u>

As of the end of the 2013 fiscal year, the Housing Authority is still in the process of completing HUD grants of \$1,118,933 obtained during 2009 through 2012 fiscal years. A total remainder of \$383,798 will be received and spent for completing these projects during fiscal year 2014.

Debt

The Housing Authority owes long term notes payable that were used to finance equipment listed above costing \$1,629,000 (or \$649,115 net of depreciation). As of March 31, 2013, the Housing Authority owed \$575,943 on these notes, of which \$167,510 is due currently.

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

**Housing Authority of the City of New Iberia
Management's Discussion and Analysis (MD&A)
March 31, 2013**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2014 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Elton Broussard, at Public Housing Authority of New Iberia, Louisiana; 325 North Street; New Iberia, LA 70560.

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Basic Financial Statement

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS

Balance Sheet

March 31, 2013

	Statement A	
	PRIMARY GOVERNMENT	COMPONENT UNIT
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 101,701	\$ 110,495
Investments	135,006	-
Accounts receivables, net	100,857	2,380
Prepaid items and other assets	134,816	9,568
Inventory	1,181	-
Restricted Assets		
Tenant deposits	43,506	25,140
Total Current Assets	<u>517,067</u>	<u>147,583</u>
Noncurrent Assets		
Other assets	-	353,204
Capital Assets		
Land, buildings, and equipment (net of accumulated depreciation)	<u>3,570,393</u>	<u>7,124,373</u>
Total Noncurrent Assets	<u>3,570,393</u>	<u>7,477,577</u>
TOTAL ASSETS	<u><u>\$ 4,087,460</u></u>	<u><u>\$ 7,625,160</u></u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS

Balance Sheet

March 31, 2013

	Statement A	
	PRIMARY GOVERNMENT	COMPONENT UNIT
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 103,627	\$ 75,723
Interest payable	3,564	4,035
Unearned revenue	1,623	33
Current portion of long term debt	175,127	9,753
Current Liabilities Payable From Current Restricted Assets		
Deposits due others	43,506	25,145
Total Current Liabilities	<u>327,447</u>	<u>114,689</u>
Noncurrent Liabilities		
Compensated absences payable	18,568	-
Mortgage payable	-	742,240
Development fee payable	-	738,554
Due to related parties	-	13,513
Lease obligation payable	408,433	-
Total Noncurrent Liabilities	<u>427,001</u>	<u>1,494,307</u>
Total Liabilities	<u>754,448</u>	<u>1,608,996</u>
NET POSITION		
Net investment in capital assets	2,994,450	5,633,826
Unrestricted	338,562	382,338
TOTAL NET POSITION	<u>3,333,012</u>	<u>6,016,164</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,087,460</u>	<u>\$ 7,625,160</u>

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS

**Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended March 31, 2013**

		Statement B
	PRIMARY GOVERNMENT	COMPONENT UNIT
OPERATING REVENUES		
Dwelling rental	\$ 567,725	\$ 326,032
Other	21,095	9,363
Federal grants	871,619	-
	<hr/>	<hr/>
Total operating revenues	1,460,439	335,395
	<hr/>	<hr/>
OPERATING EXPENSES		
Administration	281,959	56,270
Tenant services	4,171	-
Utilities	315,332	4,711
Ordinary maintenance & operations	436,871	101,117
Protective services	27,713	-
General expenses	188,758	67,105
Depreciation	417,384	235,797
	<hr/>	<hr/>
Total operating expenses	1,672,188	465,000
	<hr/>	<hr/>
Income (loss) from Operations	(211,749)	(129,605)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(32,486)	(52,571)
Interest earnings	418	423
Other nonoperating expenses	-	(19,778)
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	(32,068)	(71,926)
	<hr/>	<hr/>
Net income (Loss) before Contributions	(243,817)	(201,531)
	<hr/>	<hr/>
Capital contributions	444,890	-
	<hr/>	<hr/>
Change in net assets	201,073	(201,531)
	<hr/>	<hr/>
NET POSITION AT BEGINNING OF YEAR	3,131,939	6,217,695
	<hr/>	<hr/>
NET POSITION AT END OF YEAR	\$ 3,333,012	\$ 6,016,164
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended March 31, 2013**

	Statement C	
	PRIMARY GOVERNMENT	COMPONENT UNIT
CASH FLOWS FROM OPERATING ACTIVITIES		
Rental receipts	\$ 566,215	\$ 324,203
Other receipts	22,545	9,363
Payments to vendors	(1,203,351)	(210,670)
Payments to employees	(138,261)	-
Federal grants	816,371	-
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	63,519	122,896
	<hr/>	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase capital assets	(444,890)	-
Capital contributions	444,890	-
Interest paid on capital debt	(33,472)	(52,306)
Payments on capital debt	(159,469)	(9,103)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(192,941)	(61,409)
	<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest and dividends	531	423
Deposits to reserve accounts	-	(10,233)
Sale of investments	44,695	-
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	45,226	(9,810)
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(84,196)	51,677
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	\$ 229,403	\$ 83,958
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	145,207	135,635
	<hr/>	<hr/>
RECONCILIATION TO THE BALANCE SHEET		
Cash and cash equivalents	101,701	110,495
Restricted deposits	43,506	25,140
TOTAL CASH AND CASH EQUIVALENTS	\$ 145,207	\$ 135,635
	<hr/>	<hr/>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

**ENTERPRISE FUNDS
Statement of Cash Flows
For the Year Ended March 31, 2013**

	Statement C	
	PRIMARY GOVERNMENT	COMPONENT UNIT
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (211,749)	\$ (129,605)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	417,384	235,797
Change in assets and liabilities:		
(Increase) decrease receivables, net	(54,746)	(1,862)
(Increase) decrease inventories	-	-
(Increase) decrease prepaid items	(74,776)	127
Increase (decrease) accounts payable	(7,354)	19,778
Increase (decrease) compensated absences	(5,039)	-
Increase (decrease) deferred revenue	(562)	33
Increase (decrease) deposit due others	361	(1,372)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 63,519</u>	<u>\$ 122,896</u>
		(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

INDEX

	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	24
A. REPORTING ENTITY	24
B. FUNDS.....	25
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	25
D. CASH AND CASH EQUIVALENTS	25
E. INVESTMENTS	26
F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES	26
G. INVENTORY AND PREPAID ITEMS	26
H. CAPITAL ASSETS	27
I. COMPENSATED ABSENCES	27
J. DEFERRED REVENUES	27
K. RESTRICTED NET POSITION.....	27
L. INTERFUND ACTIVITY	27
M. USE OF ESTIMATES	27
NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS.....	28
NOTE 3 - RECEIVABLES.....	28
NOTE 4 - CAPITAL ASSETS.....	29
NOTE 5 - RETIREMENT SYSTEM.....	29
NOTE 6 - ACCOUNTS PAYABLES.....	30
NOTE 7 - COMPENSATED ABSENCES	30
NOTE 8 - LONG TERM OBLIGATIONS	30
NOTE 9 - COMMITMENTS AND CONTINGENCIES	31
NOTE 10 - RISK MANAGEMENT	31
NOTE 11 - ECONOMIC DEPENDENCE	31
NOTE 12 - OTHER NONCURRENT ASSETS.....	32
NOTE 13 - FEES PAYABLE	32
NOTE 14 - SUBSEQUENT EVENTS.....	32
NOTE 15 - NEW GASB STANDARDS	32
NOTE 16 - INSURANCE RECOVERIES	32

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Housing Authority of the City of New Iberia have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of New Iberia, serve a staggered term of four years.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority had 200 units in management at projects LA 27-1/2/3.

<u>Program</u>	<u>Contract Number</u>	<u>Number of Units</u>
PHA owned housing	FW 1264	200

The accompanying financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB standards establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The Housing Authority is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB standards, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

The basic criterion for including a potential component unit within the reporting entity is financial accountability.

The GASB has set forth criteria to be considered in determining financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

Based on the previous criteria, the Housing Authority has determined that the following component units should be considered as part of the Housing Authority reporting entity.

Bayou Place Limited Partnerships I & II (Partnerships) are legally separate entities. The Managing General Partner of the partnership is H.A.N.I. Non-profit Housing, Inc, a not-for-profit corporation. The Board of Directors of H.A.N.I. Non-profit Housing, Inc. consists entirely of the Board of Commissioners of the Housing Authority. There is the potential for the Partnerships to impose a financial burden on the Housing Authority. Based on the above, the Partnerships and H.A.N.I. Non-profit Housing, Inc, are considered to be component units. Copies of the audit reports for these component units may be obtained from the Housing Authority.

The governing body of the Housing Authority is considered to have complete control over H.A.N.I. Non-profit Housing, Inc., but not complete control over the Partnerships. As a result, H.A.N.I. Non-profit Housing, Inc. is included in the Housing Authority's financial statements as a blended entity, and the Partnerships are included in the Housing Authority's financial statements through discrete presentation. The financial position, changes in net position, and cash flows of the Partnerships are presented as of and for the year ended December 31, 2012. Separate financial statements of the Partnerships were issued for fiscal year ended December 31, 2012.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing low rent program, capital fund program and business activities.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent, maintenance charges to residents and operating subsidy. Operating expenses for proprietary funds include the administrative costs of providing these services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The restricted assets consist of deposits placed by new residents to secure payment of their rents upon default by residents and to cover damages upon move-out.

E. INVESTMENTS Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. INVENTORY AND PREPAID ITEMS All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the purchase method. At year end the amount of inventory is recorded for external financial reporting.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses consist of prepaid insurance.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

H. CAPITAL ASSETS Capital assets exceeding \$1,000 are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and fixtures	5 to 7 years
Computers	3 years
Intangibles	3 years

I. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

J. UNEARNED REVENUES The Housing Authority reports unearned revenues on its combined balance sheet. Unearned revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

K. RESTRICTED NET POSITION Net position is reported as restricted when constraints placed on net position use are either: externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. INTERFUND ACTIVITY Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market, or near market rates, are treated as revenues and expenses. All other interfund transfers are reported as transfers. Reimbursements are when one fund incurs a cost, changes the benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

M. USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS The Housing Authority maintains investment in Certificates of Deposits with a maturity at time of purchase of one year or less. These investments are recorded at amortized cost.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: The Housing Authority's investments are in Certificates of Deposits and Savings Accounts, which do not have credit ratings; however, the Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of March 31, 2013, the Housing Authority's bank balance was \$504,917, which was secured by FDIC.

The discretely presented component unit, Bayou Place I & II, had a cash balance of \$135,635 as of December 31, 2012 which was fully insured.

NOTE 3 - RECEIVABLES The receivables at March 31, 2013, are as follows:

The residents account receivable is net of an allowance for doubtful accounts of \$540.

<u>Class of Receivables</u>	
Residents	\$ 2,233
Other	98,581
Interest	43
Total	<u>\$ 100,857</u>

The discretely presented component units, Bayou Place I & II, had accounts receivable of \$2,380. There was no allowance for doubtful accounts for this receivable.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

NOTE 4 - CAPITAL ASSETS The changes in capital assets are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Non depreciable capital assets:				
Land	\$ 222,593	\$ -	\$ -	\$ 222,593
Construction in progress	163,487	444,890	601,413	6,964
Total nondepreciable capital assets	386,080	444,890	601,413	229,557
Depreciable assets:				
Buildings & Site Improvements	12,118,970	601,413	-	12,720,383
Furniture and equipment	373,094	-	-	373,094
Total depreciable capital assets	12,492,064	601,413	-	13,093,477
Less accumulated depreciation				
Buildings & Site Improvements	9,022,745	398,687	-	9,421,432
Furniture and equipment	312,513	18,696	-	331,209
Total accumulated depreciation	9,335,258	417,383	-	9,752,641
Depreciable capital assets, net	3,156,806	184,030	-	3,340,836
Capital assets, net	\$ 3,542,886	\$ 628,920	\$ 601,413	\$ 3,570,393

The discretely presented component unit, Bayou Place I & II, had capital assets of \$7,124,373 as of December 31, 2012. These consisted of land \$328,535, building \$6,681,602, land improvements \$809,355 and furniture and equipment \$210,571 less \$905,690 in accumulated depreciation for the year ended December 31, 2012.

NOTE 5 - RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan from the first anniversary date of the employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5.5 percent of his effective compensation. The employer is required to make monthly contributions equal to 7.5 percent of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended March 31, 2013, was \$242,301. The Housing Authority's contributions were calculated using the base salary amount of \$218,727. The Housing Authority made the required contributions of \$26,209 for the year ended March 31, 2013, of which \$15,121 was paid by the Housing Authority and \$11,088 was paid by employees.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

NOTE 6 - ACCOUNTS PAYABLES The payables at March 31, 2013, are as follows:

Vendors	\$ 41,488
PILOT	62,139
	<u>\$ 103,627</u>

Accounts payable for the component unit consists of \$20,918 of asset management fees payable and \$54,805 of partnership management fees payable.

NOTE 7 - COMPENSATED ABSENCES At March 31, 2013, employees of the Housing Authority have accumulated and vested \$26,185 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made.

NOTE 8 - LONG TERM OBLIGATIONS The following is a summary of the long term obligations transactions for the year.

	Primary Government		
	Compensated Absences	Lease Obligation	Total
Balance, beginning	\$ 31,224	\$ 735,412	\$ 766,636
Additions	15,970	-	15,970
Deductions	21,009	159,469	180,478
Balance, ending	<u>\$ 26,185</u>	<u>\$ 575,943</u>	<u>\$ 602,128</u>
Amount due within one year	<u>\$ 7,617</u>	<u>\$ 167,510</u>	<u>\$ 175,127</u>

The following capital lease is outstanding at March 31, 2013. The capital lease is a conditional sales agreement for equipment to help the Housing Authority's units to conserve water and energy. A total of \$1,622,789 was added to the capital assets listing during the fiscal year of March 31, 2005. The capital asset has beginning accumulated depreciation of \$865,487 plus \$108,187 recorded as depreciation resulting in a net book value of \$649,115 at March 31, 2013.

	Date of Lease	Maturity Date	Interest Rate	Lease Amount	Balance March 31, 2013
Capital lease	5/17/2004	5/17/2016	4.95%	\$1,629,000	\$575,943

The lease payments are due as follows:

	Primary Government		
Year Ending March 31,	Principal	Interest	Total
2014	167,510	25,432	192,942
2015	175,957	16,985	192,942
2016	184,830	8,112	192,942
2017	47,646	589	48,235
Total	<u>\$ 575,943</u>	<u>\$ 51,118</u>	<u>\$ 627,061</u>

The discretely presented component unit, Bayou Place I and II had long term obligations of \$1,494,307 as of December 31, 2012. This obligation consisted of a mortgage loan of \$742,240, developer fee payable of \$738,554, and a payable to related parties of \$13,513.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in any litigation.

Construction Projects There are certain major construction projects in progress at March 31, 2013. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. At the end of the 2013 fiscal year, the Housing Authority is still in the process of completing Capital Fund grants of \$1,118,933 obtained during 2009 through 2012 fiscal years. Of this amount \$383,798 was obligated for construction contracts at March 31.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 through March 31, 2013, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Developer Fee Receivable H.A.N.I. Non-Profit Housing, Inc. (HNPHI), a blended component unit of the Housing Authority, is the general partner in Bayou Place Limited Partnerships I and II (Partnerships). In April 2006, the Partnerships entered into an agreement with an investor to invest in projects known as Bayou Place I and Bayou Place II.

Both Bayou Place I and II are comprised of 25 family low income housing tax credit units located in New Iberia. The investor is a limited partner and has a 99.99% partnership interest. The HNPHI is a general partner with a 0.01% partnership interest. The sponsor and guarantor is the Housing Authority. A development fee agreement provided for \$410,000 to be paid to the Housing Authority for Bayou Place I and \$600,000 for Bayou Place II. At March 31, 2010 the balance of the developer fee for both projects was \$806,282. H.A.N.I. Non-Profit Housing, Inc. received full payment of the developer fee in a prior year. The total received was \$67,728. The remaining developer fee of \$738,554 may not be received because the units were not delivered by the deadline stated in the contract. According to the partnership agreement if the partnership fails to deliver 100% of the projected Low Income Housing Tax Credit benefits as projected by the limited partner in its initial projections, then the limited partner is entitled to reduce its capital contribution to the partnership. An allowance for the full \$738,554 was recorded since the Housing Authority is not likely to receive the remaining developer fee.

Developer Fee Payable After year end the H.A.N.I Non-profit Housing, Inc. (HNPHI) received a bill to pay developer fees related to Bayou Place I and Bayou Place II of \$348,334 to the consultant on the projects. The developer fee paid to the consultant was to be paid from the developer fees that HNPHI was to receive for the projects. However, HNPHI only received a portion of the estimated developer fees due to the projects not being finished on time. There is currently no legal opinion as to whether HNPHI will be liable for the remaining developer fees to the consultant. No accrual has been made for this.

NOTE 10 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

NOTE 11 - ECONOMIC DEPENDENCE Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$1,316,509 to the Housing Authority, which represents approximately 58% of the Housing Authority's total revenue for the year.

Housing Authority of the City of New Iberia
Notes to the Financial Statements
March 31, 2013

NOTE 12 - OTHER NONCURRENT ASSETS Bayou Place Development I & II, L. P., a discretely presented component unit of the Housing Authority, had the following other noncurrent assets as of March 31, 2013:

Reserves	\$192,924
Tax Credit Costs, Less Accumulated Amortization	<u>160,280</u>
	<u>\$353,204</u>

NOTE 13 - FEES PAYABLE Bayou Place Development I & II, L. P., a discretely presented component unit of the Housing Authority, had the following fees payable as of March 31, 2013:

Development Fee Payable	\$738,554
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NOTE 14 - SUBSEQUENT EVENTS In June 2013, the Housing Authority signed a contract to remodel four units.

NOTE 15 - NEW GASB STANDARDS In fiscal year 2013, the Housing Authority implemented the following GASB Statements:

Statement No. 61, "The Financial Reporting Entity-Omnibus: an amendment of GASB Statements No. 14 and No. 39." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity.

Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA.

Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This Statement establishes standards for reporting of deferred outflows of resources, deferred inflows of resources, and net position.

Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement amends or supersedes the accounting and financial guidance for certain items previously required as assets or liabilities as well as establishes accounting and financial reporting standards for the financial statement of state and local governments.

Although these Statements had no current effect on the financial statements as a result of implementation, the Statements did change the presentation of the Housing Authority's financials, which consisted of the net position being classified as net position.

NOTE 16 - INSURANCE RECOVERIES Included in operating revenues is \$8,775 of insurance proceeds.

Supplemental Information

Housing Authority of New Iberia (LA027)
NEW IBERIA, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	Project Total	6 Component Units	1 Business Activities	14.228 Community Development Block Grants/State's Program	Subtotal	Total
111 Cash - Unrestricted	\$52,403	\$110,495	\$49,298		\$212,196	\$212,196
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0		\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0		\$0	\$0
114 Cash - Tenant Security Deposits	\$43,506	\$25,140	\$0		\$68,646	\$68,646
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0		\$0	\$0
100 Total Cash	\$95,909	\$135,635	\$49,298	\$0	\$280,842	\$280,842
121 Accounts Receivable - PHA Projects	\$94,700	\$0	\$0		\$94,700	\$94,700
122 Accounts Receivable - HUD Other Projects		\$0	\$0		\$0	\$0
124 Accounts Receivable - Other Government	\$3,881	\$0	\$0		\$3,881	\$3,881
125 Accounts Receivable - Miscellaneous		\$0			\$0	\$0
126 Accounts Receivable - Tenants	\$2,773	\$2,380	\$0		\$5,153	\$5,153
126.1 Allowance for Doubtful Accounts - Tenants	-\$540	\$0	\$0		-\$540	-\$540
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0		\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0		\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0		\$0	\$0
129 Accrued Interest Receivable	\$43	\$0	\$0		\$43	\$43
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$100,857	\$2,380	\$0	\$0	\$103,237	\$103,237
131 Investments - Unrestricted	\$135,006	\$0	\$0		\$135,006	\$135,006
132 Investments - Restricted	\$0	\$0	\$0		\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0		\$0	\$0
142 Prepaid Expenses and Other Assets	\$134,816	\$9,568	\$0		\$144,384	\$144,384
143 Inventories	\$1,243	\$0	\$0		\$1,243	\$1,243
143.1 Allowance for Obsolete Inventories	-\$62	\$0	\$0		-\$62	-\$62
144 Inter Program Due From	\$0	\$0	\$0		\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0		\$0	\$0
150 Total Current Assets	\$467,769	\$147,583	\$49,298	\$0	\$664,650	\$664,650
161 Land	\$222,593	\$328,535	\$0		\$551,128	\$551,128
162 Buildings	\$11,229,765	\$6,681,602	\$0		\$17,911,367	\$17,911,367
163 Furniture, Equipment & Machinery - Dwellings	\$148,377	\$210,571	\$0		\$358,948	\$358,948
164 Furniture, Equipment & Machinery - Administration	\$224,717	\$0	\$0		\$224,717	\$224,717
165 Leasehold Improvements	\$1,490,618	\$809,355	\$0		\$2,299,973	\$2,299,973
166 Accumulated Depreciation	-\$9,752,641	-\$905,690	\$0		-\$10,658,331	-\$10,658,331
167 Construction in Progress	\$6,964	\$0	\$0		\$6,964	\$6,964
168 Infrastructure	\$0	\$0	\$0		\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,570,393	\$7,124,373	\$0	\$0	\$10,694,766	\$10,694,766
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0			\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		\$0			\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0		\$0	\$0
174 Other Assets		\$353,204			\$353,204	\$353,204
176 Investments in Joint Ventures		\$0			\$0	\$0
180 Total Non-Current Assets	\$3,570,393	\$7,477,577	\$0	\$0	\$11,047,970	\$11,047,970
190 Total Assets	\$4,038,162	\$7,625,160	\$49,298	\$0	\$11,712,620	\$11,712,620
311 Bank Overdraft	\$0	\$0	\$0		\$0	\$0

Housing Authority of New Iberia (LA027)
NEW IBERIA, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	Project Total	6 Component Units	1 Business Activities	14.228 Community Development Block Grants/State's Program	Subtotal	Total
312 Accounts Payable <= 90 Days	\$15,439	\$75,723	\$3,881		\$95,043	\$95,043
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0		\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0		\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$7,617	\$0	\$0		\$7,617	\$7,617
324 Accrued Contingency Liability	\$0	\$0	\$0		\$0	\$0
325 Accrued Interest Payable	\$3,564	\$4,035	\$0		\$7,599	\$7,599
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0		\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0		\$0	\$0
333 Accounts Payable - Other Government	\$62,139	\$0	\$0		\$62,139	\$62,139
341 Tenant Security Deposits	\$43,506	\$25,145	\$0		\$68,651	\$68,651
342 Deferred Revenues	\$1,623	\$33	\$0		\$1,656	\$1,656
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$167,510	\$9,753	\$0		\$177,263	\$177,263
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0		\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0		\$0	\$0
346 Accrued Liabilities - Other	\$22,168	\$0	\$0		\$22,168	\$22,168
347 Inter Program - Due To	\$0	\$0	\$0		\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0		\$0	\$0
310 Total Current Liabilities	\$323,566	\$114,689	\$3,881	\$0	\$442,136	\$442,136
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$408,433	\$1,480,794	\$0		\$1,889,227	\$1,889,227
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0		\$0	\$0
353 Non-current Liabilities - Other	\$0	\$13,513	\$0		\$13,513	\$13,513
354 Accrued Compensated Absences - Non Current	\$18,568	\$0	\$0		\$18,568	\$18,568
355 Loan Liability - Non Current	\$0	\$0	\$0		\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0		\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0		\$0	\$0
350 Total Non-Current Liabilities	\$427,001	\$1,494,307	\$0	\$0	\$1,921,308	\$1,921,308
300 Total Liabilities	\$750,567	\$1,608,996	\$3,881	\$0	\$2,363,444	\$2,363,444
508.1 Invested In Capital Assets, Net of Related Debt	\$2,994,450	\$5,633,826	\$0		\$8,628,276	\$8,628,276
511.1 Restricted Net Assets	\$0	\$0	\$0		\$0	\$0
512.1 Unrestricted Net Assets	\$293,145	\$382,338	\$45,417	\$0	\$720,900	\$720,900
513 Total Equity/Net Assets	\$3,287,595	\$6,016,164	\$45,417	\$0	\$9,349,176	\$9,349,176
600 Total Liabilities and Equity/Net Assets	\$4,038,162	\$7,625,160	\$49,298	\$0	\$11,712,620	\$11,712,620

Housing Authority of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Submission Audited/A-133
Type:

Fiscal Year End: 03/31/2013

	Project Total	6 Component Units	1 Business Activities	14,228 Community Development Block Grants/State's Program	Subtotal	Total
70300 Net Tenant Rental Revenue	\$403,151	\$326,032	\$0		\$729,183	\$729,183
70400 Tenant Revenue - Other	\$164,574	\$9,363	\$0		\$173,937	\$173,937
70500 Total Tenant Revenue	\$567,725	\$335,395	\$0	\$0	\$903,120	\$903,120
70600 HUD PHA Operating Grants	\$776,919	\$0	\$0		\$776,919	\$776,919
70610 Capital Grants	\$444,890	\$0	\$0		\$444,890	\$444,890
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants	\$0	\$0	\$0	\$94,700	\$94,700	\$94,700
71100 Investment Income - Unrestricted	\$418	\$0	\$0		\$418	\$418
71200 Mortgage Interest Income	\$0	\$0	\$0		\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0		\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0		\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0		\$0	\$0
71500 Other Revenue	\$21,095	\$423	\$0		\$21,518	\$21,518
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0		\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0		\$0	\$0
70000 Total Revenue	\$1,811,047	\$335,818	\$0	\$94,700	\$2,241,565	\$2,241,565
91100 Administrative Salaries	\$123,793	\$24,200	\$0		\$147,993	\$147,993
91200 Auditing Fees	\$19,350	\$14,000	\$0		\$33,350	\$33,350
91300 Management Fee	\$0	\$20,219	\$0		\$20,219	\$20,219
91310 Book-keeping Fee	\$0	\$0	\$0		\$0	\$0
91400 Advertising and Marketing	\$1,049	\$1,321	\$0		\$2,370	\$2,370
91500 Employee Benefit contributions - Administrative	\$38,846	\$4,452	\$0		\$43,298	\$43,298
91600 Office Expenses	\$46,031	\$8,758	\$0		\$54,789	\$54,789
91700 Legal Expense	\$11,890	\$300	\$0		\$12,190	\$12,190
91800 Travel	\$18,744	\$0	\$0		\$18,744	\$18,744
91810 Allocated Overhead	\$0	\$0	\$0		\$0	\$0
91900 Other	\$13,285	\$2,436	\$0		\$15,721	\$15,721
91000 Total Operating - Administrative	\$272,988	\$75,686	\$0	\$0	\$348,674	\$348,674
92000 Asset Management Fee	\$0	\$0	\$0		\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0		\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0		\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0		\$0	\$0
92400 Tenant Services - Other	\$3,121	\$0	\$0		\$3,121	\$3,121
92500 Total Tenant Services	\$3,121	\$0	\$0	\$0	\$3,121	\$3,121
93100 Water	\$40,279	\$342	\$0		\$40,621	\$40,621
93200 Electricity	\$176,919	\$4,369	\$0		\$181,288	\$181,288
93300 Gas	\$35,953	\$0	\$0		\$35,953	\$35,953
93400 Fuel	\$0	\$0	\$0		\$0	\$0
93500 Labor	\$1,200	\$0	\$0		\$1,200	\$1,200
93600 Sewer	\$43,710	\$0	\$0		\$43,710	\$43,710
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0		\$0	\$0

Housing Authority of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Submission Audited/A-133
Type:

Fiscal Year End: 03/31/2013

	Project Total	6 Component Units	1 Business Activities	14.228 Community Development Block Grants/State's Program	Subtotal	Total
93800 Other Utilities Expense	\$17,271	\$0	\$0		\$17,271	\$17,271
93000 Total Utilities	\$315,332	\$4,711	\$0	\$0	\$320,043	\$320,043
94100 Ordinary Maintenance and Operations - Labor	\$111,620	\$18,874	\$0		\$130,494	\$130,494
94200 Ordinary Maintenance and Operations - Materials and Other	\$115,814	\$9,257	\$0		\$125,071	\$125,071
94300 Ordinary Maintenance and Operations Contracts	\$163,716	\$72,986			\$236,702	\$236,702
94500 Employee Benefit Contributions - Ordinary Maintenance	\$33,839	\$3,498	\$0		\$37,337	\$37,337
94000 Total Maintenance	\$424,989	\$104,615	\$0	\$0	\$529,604	\$529,604
95100 Protective Services - Labor	\$0	\$0	\$0		\$0	\$0
95200 Protective Services - Other Contract Costs	\$27,713	\$0	\$0		\$27,713	\$27,713
95300 Protective Services - Other	\$0	\$0	\$0		\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0		\$0	\$0
95000 Total Protective Services	\$27,713	\$0	\$0	\$0	\$27,713	\$27,713
96110 Property Insurance	\$103,882	\$38,026	\$0		\$141,908	\$141,908
96120 Liability Insurance	\$22,236	\$0	\$0		\$22,236	\$22,236
96130 Workmen's Compensation	\$12,385	\$910	\$0		\$13,295	\$13,295
96140 All Other Insurance	\$15,146	\$0	\$0		\$15,146	\$15,146
96100 Total Insurance Premiums	\$153,649	\$38,936	\$0	\$0	\$192,585	\$192,585
96200 Other General Expenses	\$0	\$19,778	\$0		\$19,778	\$19,778
96210 Compensated Absences	\$9,429	\$0	\$0		\$9,429	\$9,429
96300 Payments in Lieu of Taxes	\$23,164	\$0	\$0		\$23,164	\$23,164
96400 Bad debt - Tenant Rents	\$11,945	\$5,255	\$0		\$17,200	\$17,200
96500 Bad debt - Mortgages	\$0	\$0	\$0		\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0		\$0	\$0
96800 Severance Expense	\$0	\$0	\$0		\$0	\$0
96000 Total Other General Expenses	\$44,538	\$25,033	\$0	\$0	\$69,571	\$69,571
96710 Interest of Mortgage (or Bonds) Payable	\$32,486	\$52,571	\$0		\$85,057	\$85,057
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0		\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0		\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$32,486	\$52,571	\$0	\$0	\$85,057	\$85,057
96900 Total Operating Expenses	\$1,274,816	\$301,552	\$0	\$0	\$1,576,368	\$1,576,368
97000 Excess of Operating Revenue over Operating Expenses	\$536,231	\$34,266	\$0	\$94,700	\$665,197	\$665,197
97100 Extraordinary Maintenance	\$3,700	\$0	\$0		\$3,700	\$3,700
97200 Casualty Losses - Non-capitalized	\$8,774	\$0	\$0		\$8,774	\$8,774
97300 Housing Assistance Payments	\$0	\$0	\$0		\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0		\$0	\$0
97400 Depreciation Expense	\$417,384	\$235,797	\$0		\$653,181	\$653,181
97500 Fraud Losses	\$0	\$0	\$0		\$0	\$0
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense	\$0	\$0	\$0		\$0	\$0
90000 Total Expenses	\$1,704,674	\$537,349	\$0	\$0	\$2,242,023	\$2,242,023

Housing Authority of New Iberia (LA027)
NEW IBERIA, LA
Entity Wide Revenue and Expense Summary

Submission Audited/A-133
Type:

Fiscal Year End: 03/31/2013

	Project Total	6 Component Units	1 Business Activities	14.228 Community Development Block Grants/State's Program	Subtotal	Total
10010 Operating Transfer In	\$126,757	\$0	\$0		\$126,757	\$126,757
10020 Operating transfer Out	-\$126,757	\$0	\$0		-\$126,757	-\$126,757
10030 Operating Transfers from/to Primary Government		\$0			\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0		\$0	\$0
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0		\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0		\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0				\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0				\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0		\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0		\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$106,373	-\$201,531	\$0	\$94,700	-\$458	-\$458
11020 Required Annual Debt Principal Payments	\$192,942	\$61,404	\$0	\$0	\$254,346	\$254,346
11030 Beginning Equity	\$3,086,522	\$6,217,695	\$45,417	\$0	\$9,349,634	\$9,349,634
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$94,700			-\$94,700	\$0	\$0
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity						
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	2276	600	0		2876	2876
11210 Number of Unit Months Leased	2117	586	0		2703	2703
11270 Excess Cash	-\$98,028				-\$98,028	-\$98,028
11610 Land Purchases	\$0				\$0	\$0
11620 Building Purchases	\$444,890				\$444,890	\$444,890
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0				\$0	\$0
11650 Leasehold Improvements Purchases	\$0				\$0	\$0
11660 Infrastructure Purchases	\$0				\$0	\$0
13510 CFFP Debt Service Payments	\$0				\$0	\$0
13901 Replacement Housing Factor Funds	\$0				\$0	\$0

Housing Authority of the City of New Iberia

GENERAL

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
For the Year Ended March 31, 2013**

The members of the Board of Commissioners serve without compensation.

Mr. Fred Wesley, Chairman

Mr. Curtis Thompson

Rev. Darren M. Sophus

Mr. Thomas Jolivet, Vice Chairman

Mr. McKinnis Armstrong

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ACTUAL MODERNIZATION COST CERTIFICATE
CAPITAL FUND PROGRAM

1. The actual Capital Fund Program costs is as follows:

	PROJECT LA 48P02750107
Funds Approved	\$ 301,085
Funds Expended	301,085
Excess of Funds Approved	0
Funds Advanced	301,085
Funds Expended	301,085
Excess of Funds Advanced	\$ 0

2. The distribution of costs by project as shown on the final schedule of Capital Fund Program expenditures dated October 17, 2012 accompanying the actual modernization certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
3. All Capital Fund Programs costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ACTUAL MODERNIZATION COST CERTIFICATE

CAPITAL FUND PROGRAM

1. The actual Capital Fund Program costs is as follows:

	PROJECT
	LA 48P02750108
Funds Approved	\$ 294,774
Funds Expended	<u>294,774</u>
Excess of Funds Approved	<u><u>0</u></u>
 Funds Advanced	 294,774
Funds Expended	<u>294,774</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund Program expenditures dated October 17, 2012 accompanying the actual modernization certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
3. All Capital Fund Programs costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

**ACTUAL MODERNIZATION COST CERTIFICATE
CAPITAL FUND PROGRAM**

1. The actual Capital Fund Program costs is as follows:

	PROJECT LA 48P02750109
Funds Approved	\$ 316,761
Funds Expended	<u>316,761</u>
Excess of Funds Approved	<u><u>0</u></u>
Funds Advanced	316,761
Funds Expended	<u>316,761</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund Program expenditures dated August 9, 2013 accompanying the actual modernization certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
3. All Capital Fund Programs costs have been paid and all related liabilities have been discharged through payment.



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit, of the Housing Authority of the City of New Iberia as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 24, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
September 24, 2013



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditors' Report

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Housing Authority of the City of New Iberia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended March 31, 2013. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 13-F1. Our opinion on each major federal program is not modified with respect to these matters.

The Housing Authority's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings & Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 13-F1 that we consider to be a significant deficiency.

The Housing Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings & Questioned Costs. The Housing

Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Allen, Green & Williamson, LLP". The signature is written in dark ink and is positioned above the printed name of the firm.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
September 24, 2013

**Housing Authority Of The City Of New Iberia
Schedule of Expenditures Of Federal Awards
For the Year Ended March 31, 2013**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA NUMBER	GRANT ID NUMBER	EXPENDITURES	
U.S. DEPT OF HOUSING AND URBAN DIRECT PROGRAMS				
Pubic and Indian Housing	14.850	LA027-00032512D	\$ 512,610	
		LA027-00032513D	<u>137,552</u>	<u>\$ 650,162</u>
Capital Fund Cluster:				
Capital Fund Program	14.872	LA48PO27501-09	153,274	
		LA48PO27501-10	313,793	
		LA48PO27501-11	59,850	
		LA48PO27501-12	<u>44,730</u>	<u>571,647</u>
PASSED THROUGH LOUISIANA HOUSING COUNCIL, INC.				
Community Development Block Grant	14.228	IRMA		<u>94,700</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$1,316,509</u></u>

Housing Authority of the City of New Iberia
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2013

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of New Iberia, New Iberia, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

Enterprise funds:	Federal Sources
Federal grants	\$ 871,619
Capital contributions	444,890
Total	<u>\$ 1,316,509</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MAJOR FEDERAL AWARDS PROGRAMS The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the City of New Iberia
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2013**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There was one significant deficiency required to be disclosed by OMB Circular A-133. The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed one audit finding, which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal program is:

CFDA #14.850 Public and Indian Housing
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Housing Authority of the City of New Iberia
Schedule of Finding & Questioned Costs
As of and For the Year Ended March 31, 2013**

Reference # and title: **13-F1** **Test of Resident Files - Eligibility**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2013

Criteria or specific requirement: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary according to 24 CFR sections 5.617 and 960.209. Changes in the rent calculation resulting from the re-examination should be reflected in the rental register. Each time the Housing Authority has an admission or re-examination, they are required to submit HUD form 50058 electronically to HUD. The resident files must contain the Form 50058 as well as the following pertinent information: social security cards, birth certificates, (or valid documentation of birth dates) and third party verifications of income, child care expenses and medical expenses. The resident files should also contain a signed HUD form 9886 annually by all adults within the household.

Condition found: The following exceptions were noted in a test of twenty resident files:

- One exception where income was not properly verified
- Three exceptions noted where key line items on the Form 50058 did not agree to supporting documentation
- Two exceptions were noted where a resident was given a disability allowance in error

Possible asserted effect (cause effect):

Cause: A lack of quality control procedures is a possible cause to the finding on the test of resident files.

Effect: The Housing Authority may not have met some of the federal requirements concerning resident file documentation.

Recommendations to prevent future occurrences: The Housing Authority should establish monitoring procedures to ensure that information in the resident files is adequate, verified, if required, and agrees to HUD form 50058.

Housing Authority of the City of New Iberia
Corrective Action Plan for Current Year Finding & Questioned Costs
As of and For the Year Ended March 31, 2013

Reference # and title: **13-F1** **Test of Resident Files - Eligibility**

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Year</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2013

Condition: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary according to 24 CFR sections 5.617 and 960.209. Changes in the rent calculation resulting from the re-examination should be reflected in the rental register. Each time the Housing Authority has an admission or re-examination, they are required to submit HUD form 50058 electronically to HUD. The resident files must contain the Form 50058 as well as the following pertinent information: social security cards, birth certificates, (or valid documentation of birth dates) and third party verifications of income, child care expenses and medical expenses. The resident files should also contain a signed HUD form 9886 annually by all adults within the household.

The following exceptions were noted in a test of twenty resident files:

- One exception where income was not properly verified
- Three exceptions noted where key line items on the Form 50058 did not agree to supporting documentation
- Two exceptions were noted where a resident was given a disability allowance in error

Corrective action plan:

1. One exception where income was not properly verified.
Correction - Housing Authority will format an excel calendar with all tenants admission date and recertification process will begin three months prior to recertification. The 50058 will be transmitted to HUD one month prior to date.
2. Three exceptions noted where key line items on the Form 50058 did not agree to supporting documentation.
Correction - All employed tenants must provide 3 to 4 check stubs and/or income verification forms must note cycle of pay. All tenants and applicants must provide the Housing Authority documentation(s) for child support and food stamps in a timely manner to note on 50058. All documentations will be double checked before transmittal.
3. Two exceptions were noted where a resident was given a disability allowance in error.
Correction - Housing Authority tenants receiving Social Security benefits under the age of 62 years old has to supply documentation from the Social Security Administration noting the reason(s) for receiving benefits.

Person responsible for corrective action plan:

Elton Broussard, Jr., Executive Director
Housing Authority of the City of New Iberia
325 North Street
New Iberia, LA 70560

Anticipated completion date: Immediately.